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Financing of the United Nations peacekeeping forces in the Middle East:

United Nations Disengagement Observer Force

Financing of the United Nations Disengagement Observer Force

Report of the Secretary-General

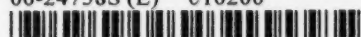
Summary

The present report contains the financial performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/236 of 26 June 1998, appropriated an amount of \$35,400,100 gross (\$34,506,400 net) for the period.

Expenditures for the period totalled \$33,662,500 gross (\$32,916,100 net), resulting in an unencumbered balance of \$1,737,600 gross (\$1,590,300 net).

The unencumbered balance resulted mainly from civilian vacancies, favourable unit cost rates obtained for purchase of vehicles under system contract, favourable exchange rates and receipt of some items from the United Nations Logistics Base at Brindisi, Italy.

The action to be taken by the General Assembly in connection with the financing of the Observer Force is a decision on the treatment of the unencumbered balance of \$1,737,600 gross (\$1,590,300 net) for the period from 1 July 1998 to 30 June 1999.



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I. Introduction

1. The United Nations Disengagement Observer Force (UNDOF) was established for an initial period of six months by the Security Council in its resolution 350 (1974) of 31 May 1974. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1276 (1999) of 24 November 1999, by which the mandate of the Force was extended until 31 May 2000.
2. The budget for the maintenance of UNDOF for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 13 February 1998 (A/52/771/Add.1 and Corr.1), and amounted to \$33,643,900 gross (\$32,750,200 net).
3. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see para. 16 of A/52/860/Add.5), the General Assembly, by its resolution 52/236 of 26 June 1998, appropriated an amount of \$35,400,100 gross (\$34,506,400 net) for the maintenance of UNDOF for the period from 1 July 1998 to 30 June 1999, inclusive of \$1,756,200 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNDOF and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 14 May 1998 (S/1998/391), 14 November 1998 (S/1998/1073), 18 May 1999 (S/1999/575) and 15 November 1999 (S/1999/1175).
5. During the period covered by this performance report, from 1 July 1998 to 30 June 1999, UNDOF continued to carry out its mandate, which requires UNDOF to maintain the ceasefire, to see that it is scrupulously observed and to supervise the agreement and protocol with regard to the areas of separation and limitation.
6. The savings realized during the period are attributable to a combination of factors, including the lower than projected requirements under civilian staff salaries and common staff costs as a result of vacancy rates of 8 and 4 per cent experienced (compared with 0 per cent vacancy rate budgeted) for the international and local staff respectively; more favourable unit rates obtained for purchase of vehicles under the system contract; non-purchase of some vehicles; receipt of some vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy; and favourable exchange rates. These savings were utilized in part to fund: (a) the higher costs of obtaining rations during the interim period between the expiration of the old and award of the new dry and frozen ration supply contract; (b) unbudgeted purchase of new telephone sets; (c) upgrade of electronic data-processing (EDP) hardware and software to ensure year 2000 compliance; and (d) the mission's share of financing the United Nations Logistics Base at Brindisi.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

7. As indicated in table 1 below, from the appropriation of \$35,400,100 gross (\$34,506,400 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to \$33,662,500 gross (\$32,916,100 net), inclusive of \$13,317,000 in unliquidated

obligations. The resulting unencumbered balance of \$1,737,600 gross (\$1,590,300 net) represents, in gross terms, approximately 4.9 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Apportionment</i>	<i>Expenditure^a</i>	<i>Variance</i>
Military personnel	18 213.9	18 357.1	(143.2)
Civilian personnel	5 553.9	4 952.2	601.7
Operational requirements	8 997.4	7 584.2	1 413.2
Other programmes	-	-	-
United Nations Logistics Base at Brindisi	-	281.4	(281.4)
Support account for peacekeeping operations	1 756.2	1 756.2	-
Staff assessment	878.7	731.4	147.3
Gross requirements	35 400.1	33 662.5	1 737.6
Income			
Staff assessment	(878.7)	(731.4)	(147.3)
Other	(15.0)	(15.0)	-
Subtotal	(893.7)	(746.4)	(147.3)
Net requirements	34 506.4	32 916.1	1 590.3
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	35 400.1	33 662.5	1 737.6

^a Includes an amount of \$13,317,000 in unliquidated obligations.

8. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 2 below and detailed in annex III.

Table 2

Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

<i>Personnel category</i>	<i>Authorized strength</i>	<i>Actual strength (average)</i>	<i>Vacancy rate (percentage)</i>
Military observers			
Military contingents	1 037	1 034	-
Civilian police	-	-	-
International staff	36	33	8
Local staff	84	81	4
United Nations Volunteers	-	-	-

IV. Actions to be taken by the General Assembly at its fifty-fourth session

9. The action to be taken by the General Assembly in connection with the financing of UNDOF is a decision to credit Member States their respective share in the unencumbered balance of \$1,737,600 gross (\$1,590,300 net) for the period from 1 July 1998 to 30 June 1999.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment ^a	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4)-(1-3) Variance
I. Military personnel				
1. Military observers	-	-	-	-
2. Military contingents	17 787.4	-	17 930.6	(143.2)
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	126.5	-	126.5	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	300.0	-	300.0	-
Subtotal, line 3	426.5	-	426.5	-
Total, category I	18 213.9	-	18 357.1	(143.2)
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	5 553.9	-	4 952.2	601.7
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	5 553.9	-	4 952.2	601.7
III. Operational requirements				
1. Premises/accommodation	1 514.5	312.1	1 300.5	214.0
2. Infrastructure repairs	-	-	-	-
3. Transport operations	4 550.5	1 305.7	3 159.7	1 390.8
4. Air operations	-	-	-	-
5. Naval operations	-	-	-	-
6. Communications	583.5	328.3	731.7	(148.2)
7. Other equipment	900.9	769.4	968.8	(67.9)
8. Supplies and services	1 288.0	-	1 235.1	52.9
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	160.0	-	188.4	(28.4)
Subtotal, line 9	160.0	-	188.4	(28.4)
Total, category III	8 997.4	2 715.5	7 584.2	1 413.2

<i>Category of expenditure</i>	<i>(1) Apportionment^a</i>	<i>(2) Non-recurrent expenditures</i>	<i>(3) Total expenditures (inclusive of non-recurrent expenditures)</i>	<i>(4)=(1-3) Variance</i>
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	-	-	-	-
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and	-	-	-	-
Total, category IV	-	-	-	-
V. United Nations Logistics Base at Brindisi	-	-	284.1	-
VI. Support account for peacekeeping operations	1 756.2	-	1 756.2	-
VII. Staff assessment	878.7	-	731.4	147.3
Gross requirements, categories I-VII	33 643.9	2 715.5	33 662.5	2 019.0
VIII. Income				
Staff assessment	(878.7)	-	(731.4)	(147.3)
Other	(15.0)	-	(15.0)	-
Total, category VIII	(893.7)	-	(746.4)	(147.3)
Net requirements, categories I-VIII	32 750.2	2 715.5	33 916.1	1 871.7
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	33 643.9	2 715.5	33 662.5	2 019.0

^a Based on appropriation provided by General Assembly resolution 52/236.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: \$18,213,900; expenditure: \$18,357,100; variance: (\$143,200)

1. The additional requirements of \$143,200 were mainly attributable to the higher cost of necessary interim arrangements for the purchase of rations in the local market for the four months between the time the old contract expired and, after competitive bidding, the new contract was awarded; and to the need to make unbudgeted purchases of composite rations and bottled water for reserve stock. These additional requirements were offset in part by savings under travel subsistence allowance, as a result of reduced travel by contingent personnel to pick-up incoming shipments because of a new door-to-door delivery contract, and under emplacement, rotation and repatriation of troops owing to favourable rates obtained for the hire/charter of aircraft used for the rotation of military personnel during the period under review.

Civilian personnel

Apportionment: \$5,553,900; expenditure: \$4,945,200; variance: \$601,700

2. The unencumbered balance under this heading was largely due to civilian staff vacancies (see para. 6 above). This savings was offset in part by unbudgeted additional requirements for travel of mission staff to Cyprus to participate in management negotiation skills training and for travel of a team from New York to UNDOF headquarters to install the Field Asset Control System (FACS), as well as to train staff at Camp Faouar on its use.

Operational requirements

Apportionment: \$8,997,400; expenditure: \$7,584,200; variance: \$1,413,200

3. The net unutilized balance under this heading resulted from reduced requirements under premises/accommodation (\$214,000), transport operations (\$1,390,800) and supplies and services (\$52,900), which were offset in part by additional requirements under communications (\$148,200), other equipment (\$67,900) and air and surface freight (\$28,400).

Premises/accommodation

Apportionment: \$1,514,500; expenditure: \$1,300,500; variance: \$214,000

4. The net unutilized balance of \$214,000 was largely the result of lower than anticipated costs arising from favourable exchange rates experienced during the period under review for the purchase of maintenance supplies and services, construction materials and electricity. However, this savings was offset in part by additional expenditure incurred under construction/prefabricated buildings in connection with installation of central air-conditioning units in Camp Faouar.

Transport operations

Apportionment: \$4,550,500; expenditure: \$3,159,700; variance: \$1,390,800

5. The unutilized balance of \$1,390,800 under this heading resulted largely from favourable unit cost rates obtained for the purchase of vehicles from the system contract, the fact that 27 vehicles did not have to be purchased because of the transfer of some vehicles and spare parts from the United Nations Logistics Base at Brindisi and the lower than anticipated costs of workshop equipment, spare parts, petrol, oil and lubricants owing to favourable exchange rates.

Communications

Apportionment: \$583,500; expenditure: \$731,700; variance: (\$148,200)

6. The net additional requirement of \$148,200 was mainly attributable to the unbudgeted purchase of new field telephone sets, model TA312-PT, to replace the worn out FT 602/GY models, and the payment during the period under review of the cost of purchase orders raised in the 1996/1997 financial period for communications equipment whose obligation had inadvertently been allowed to lapse as at 30 June 1998.

Other equipment

Apportionment: \$900,900; expenditure: \$968,800; variance: (\$67,900)

7. The net additional requirement of \$67,900 under this heading was attributable to: (a) charging of unbudgeted purchases of computer hardware and software and the upgrading of the local computer network to ensure year 2000 compliance; and (b) unbudgeted replacement of non-serviceable kitchen stoves, washers and dryers. These additional requirements were partially offset by savings owing to favourable exchange rates which reduced expenditures under spare parts, repairs and maintenance.

Supplies and services

Apportionment: \$1,288,000; expenditure: \$1,235,100; variance: \$52,900

8. The net unutilized balance of \$52,900 under this heading resulted mainly from: (a) the charging of expenditures for the wages of local contractors as kitchen helpers which had been budgeted under contractual services against general temporary assistance under the civilian personnel budget line; (b) the receipt of miscellaneous items from the United Nations Logistics Base at Brindisi; and (c) favourable exchange rates which reduced expenditures under miscellaneous supplies and services items obtained in the local market. This unutilized balance was in part offset by additional requirements for losses on currency exchange transactions.

Air and surface freight

Apportionment: \$160,000; expenditure: \$188,400; variance: (\$28,400)

9. The shortfall under this heading was the result of the cost of customs clearance in Lebanon and Syria of UNDOF vehicles which were inadvertently shipped to UNIFIL, as well as the unbudgeted shipping costs of vehicles and other items obtained from the United Nations Logistics Base at Brindisi.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: \$281,400; variance: (\$281,400)

10. The expenditure of \$281,400 represents the prorated share of UNDOF for the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, based on General Assembly resolution 52/1 B of 26 June 1998.

Support account for peacekeeping operations

Apportionment: \$1,756,200; expenditure: \$1,756,200; variance: none

11. The amount authorized has been fully transferred to the support account for peacekeeping operations.

Staff assessment

Apportionment: \$878,700; expenditure: \$731,400; variance: \$147,300

12. The unutilized balance of \$147,300 was mainly the result of lower than planned deployment of civilian personnel.

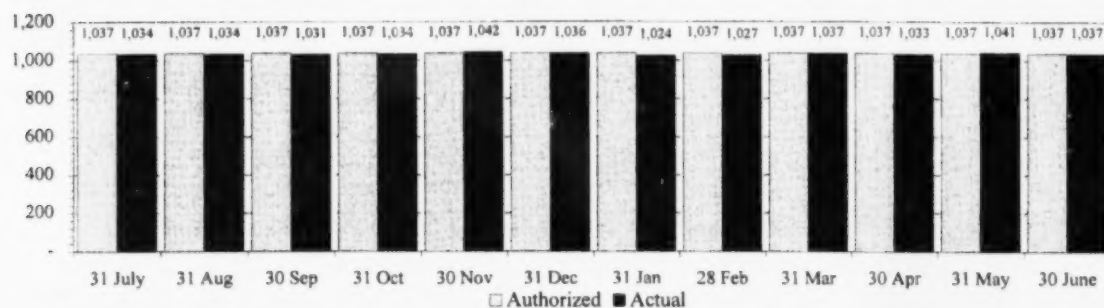
Income from staff assessment

13. This amount is derived from staff assessment (see para. 12 above).

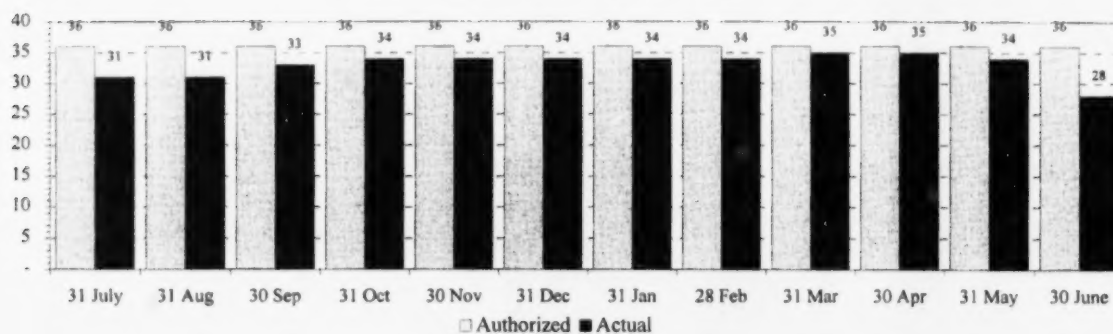
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

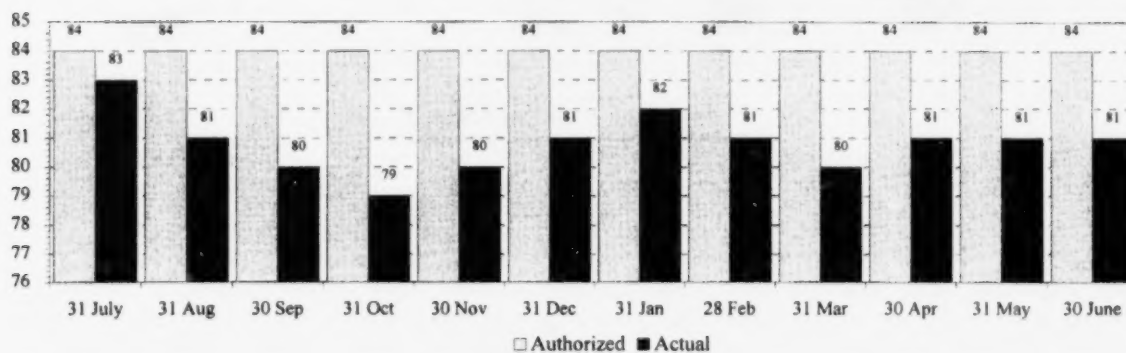
1. Military contingents



2. International staff



3. Local staff



Annex IV

**Apportionment and expenditure for the period from
1 July 1998 to 30 June 1999**